(b) whether according to the Citizenship Amendment Act, 1955 as amended recently, and the guidelines of the MHA, FDI in Air Transport Services (Domestic Airlines) is permitted to PIO cardholder;

(c) if so, reasons for not bringing amendments in obsolete 30 year old CAR; and

(d) steps being taken to ractify the anomaly by amending the CAR thus permitting similar dispensation to PIO cardholders as are given to NRIs in case of the FDI investment in domestic aviation sector?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) to (d) The existing Civil Aviation Requirements stipulate that scheduled/non-scheduled air transport operators permit can be granted only to a citizen of India or to a company/body corporate provided, *inter-alia*, that its substantial ownership and effective control is vested in Indian nationals. Hence, Persons of Indian Origin, who are not Indian citizens, cannot be permitted to operate air transport services in terms of the present regulatory position. However, the issue of PIO cardholders being accorded a dispensation similar to NRIs in case of FDI in Air Transport Services (Domestic Airlines) will be examined in consultation with the concerned Ministries.

Non-Compliance of Rules by Companies

604. SHRI SANJAY RAUT: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that more than two lakh companies are not abiding proper rules and regulations of Government;

(b) if so, what steps have been taken by Government so far against the erring companies;

(c) whether it is also a fact that Government are unable to take stringent steps against the erring companies; and

(d) if so, the details thereof and whether Government are seriously considering to adopt e-governance system for ensuring transparency and efficiency?

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) As per available records, 303107 companies out of 641512 registered companies were found to be in default in filing statutory returns with the Registrar of Companies during the year 2003-04.

(b) and (c) Companies defaulting in filing of statutory returns are liable for payment of additional fees for delayed filing in addition to other legal action under the Companies Act, 1956. Penal action is being taken under law against such defaulting companies.

In respect of defunct companies, two Simplified Exit Schemes (SES) in 2003 and 2005 were introduced. 26714 companies were struck off under SES in 2003, while 26483 companies have applied under SES 2005.

Under Company Law Settlement Scheme, 2000 (CLSS 2000) 1,27,083 companies have availed the scheme and filed the required statutory documents.

(d) The Government has already taken up a major e-Governance initiative known as "MCA21" e-Governance Project, which, when fully operationalised, it would provide for electronic filing and access to corporate documents through the use of information technology and computers. This would enable transparency as well as speedy monitoring of non-compliance by the companies. The project is expected to be operational by April, 2006.

Amendment of Chartered Accountants Act

605. SHRI B.K. HARIPRASAD: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether Government propose to amend the Chartered Accountant's Act, by incorporating provisions for special audit of the books of Chartered Accountants;

(b) whether under this new provision Government would vest with itself the power to order special audit of CAs; and

(c) whether Government can exercise such powers to enforce professional discipline in the regulatory body through its nominees in the governing council of ICAI?